

Office of Trade Relations Trade Enforcement and Revenue Collection Subcommittee
Status Report

General description

Objective/Goal of the Subcommittee

This Subcommittee aims to generate advice and develop recommendations that will improve enforcement of the trade laws of the United States and the collection of duties and fees.

Where does it fit in our trade transformation strategy?

IPR Working Group: Consistency & Harmonization, modernization, co-creation bi-directional education, partnerships

Regulatory Audit: Consistency & harmonization, modernization, co-creation, bi-directional education, partnerships

Bonds: Modernization, co-creation, bi-directional education

AD/CVD: Consistency & harmonization, modernization, co-creation, bi-directional education, partnerships

Chair/Co-Chair Names

The COAC Trade Co-Chairs are Karen Kenney, Chief Operating Officer for Liberty International, and Matt Fass, President of Maritime Products International. The government Subcommittee Co-Chairs are Assistant Secretary Tim Skud from Treasury; CBP Director Cynthia Whittenburg (International Trade), and CBP Executive Director (Finance) Jaye Williams.

Number of participants from COAC

There are 7 COAC members in this subcommittee and the Subcommittee has met 4 times since the last public COAC meeting on February 20th.

Working Groups under Subcommittee

Intellectual Property Rights (IPR)

Goal: To assess other systems/programs that can be used for IPR purposes.

Document Imaging System (DIS): Licensing agreements and other documents would be provided through the DIS to verify authentic shipments at the time of filing entry summaries. The Group is exploring the parallel importing/licensee environment; IPR violations related to the importing of refurbished goods; ways to simplify the seizure process for small/express shipments; and the feasibility of a Trusted Trader IPR Importer Program, either as a “stand

alone” or as part of C-TPAT. The Group believes moving to discussions on DIS is moving us in the right direction and could be implemented far easier since it already exists.

Voluntary Disclosure: The IPR Working Group has been discussing a Voluntary Disclosure program allowing importers and others to voluntarily disclose violations of laws prohibiting the importation of registered trademarks or copyrights. The program would encourage voluntary disclosures enabling the trade to work with CBP to stop prohibited items from being brought into U.S. Commerce. CBP anticipates a COAC recommendation to pilot the Voluntary Disclosure Program.

Simplified Seizure Process: The working group has been working on simplifying the IPR enforcement process in the Express Consignment environment. Mapping of the seizure and abandonment process indicated that following CBP’s sending of detention notices to the importer of record (IOR), that in most cases the express carrier is the IOR who in turn notifies the ultimate consignee of the suspect goods. The express carrier’s terms of agreement permit them to abandon suspect the goods according to the options provided for in CBP’s detention notice. With consent from both the carrier and ultimate consignee the goods might be voluntarily abandoned providing all parties of interest with their legal due process rights. Following abandonment, destruction would occur, increasing CBP efficiency to better handle the overwhelming number of small shipments that ultimately affect enforcement results. With the support of the Express Association of America as well as UPS, FedEx, DHL and TNT CBP anticipates a COAC recommendation.

Since the last COAC meeting, the Working Group has held 5 meetings.

Regulatory Audit Working Group (RAWG)

Goal: To provide feedback on planned enhancements to CBP’s Focused Assessment Audit Program.

Update: CBP has completed its updated draft of the Focused Assessment (FA) Pre-Assessment Survey (PAS) Technical Guide, and it is currently being finalized within CBP. CBP training began on February 7th and CBP outreach to the trade community has also been initiated. Since the last COAC meeting, the working group has been in hiatus and it is anticipated that CBP Regulatory Audit will provide the Trade Enforcement and Revenue Subcommittee periodic updates on their efforts prior to the implementation of the program by the end of calendar year 2014.

Bonds Working Group

Goal: To provide feedback on the planned development of e-bond within the Automated Commercial Environment (ACE).

Update: Updates have been given to the Working Group on the development of ACE e-bond. These have included information and discussion on ACE software development, the

development of CATAIR Technical User Guide updates and the development of a Frequently Asked Questions document. The Bond Working Group has not developed any recommendations for the May 22 COAC meeting.

Since the last COAC meeting, the Working Group has held 2 conference calls.

Anti-dumping and Countervailing Duties Working Group

Goal: This Working Group is still determining the exact task it will undertake, but one idea is the possibility of compiling compliance best practices and developing government-trade training on AD/CVD regulations.

Highlights

IPR: The IPR Working Group will be providing three recommendations at the May COAC meeting in Miami. This group is systematically evaluating various options to strengthen IPR enforcement, including determining the application of the Document Imaging System for IPR purposes, a simplified seizure process for low-value shipments, and the Voluntary Disclosure process.

Regulatory Audit: The Regulatory Audit Office is currently conducting outreach to the industry based on the recommendations that were put forward to COAC at the February Meeting. They continue to keep the subcommittee apprised of their outreach efforts.

Accomplishments

IPR Working Group members have mapped different supply chains by mode of transportation, industry, brand owners, and how they interact. The Group has discussed and is prepared to make a recommendation on the simplified seizure process for low value shipments/abandonments. The Group has put together a recommendation on the Document Imaging System (DIS) to determine authenticity of goods. The Group will be making a third recommendation on Voluntary Disclosure. This is an issue that has come up on past terms of COAC specifically in 2008 and 2010. The group is going to recommend proceeding in principle with the concept and working out the details later.

The Regulatory Audit Working Group has provided nine recommendations that were unanimously approved by the full Committee at the February 20th public meeting. These recommendations provided CBP useful guidance and advisement in several key areas related to the Focused Assessment Enhancement process. CBP is currently conduct outreach to the industry and training within the agency on the updated program.

The Bonds Working Group is receiving regular updates on CBP's development of e-Bond within ACE. The status of technical documents has been monitored as well as the development of a Frequently Asked Question document.

The AD/CVD Working Group is presently defining a topic to explore.